

Press Release

**Office of the Kansas Securities Commissioner
618 S. Kansas Avenue
Topeka, Kansas 66603-3804**

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Shawnee County Veterinarian, Donald Atteberry, Guilty of Securities Fraud

Topeka, Kansas-- Kansas Securities Commissioner Chris Biggs announced today that on Monday, March 26, Berryton resident Donald G. Atteberry, 52, pleaded no contest in Shawnee County District Court to 36 felony counts related to violations of the Kansas Securities Act. Atteberry was found guilty and convicted of eight felony counts each of securities fraud, failure to register as a broker, dealer, or agent, and offer or sale of unregistered securities. Atteberry was also convicted of ten felony counts of violation of an administrative order of the Securities Commissioner, and two felony counts of theft by deception. Sentencing is scheduled for June 21, 2007.

The 36 felony convictions resulted from Atteberry, a licensed veterinarian at the time of the offenses, soliciting more than \$1,300,000 dollars from eight Kansas investors for investment in a fictitious cattle embryo transfer program. Investors were issued promissory notes and advised by Atteberry that for their investment they would receive a return of 5-15% within 1-6 months. The monies were to be used to freeze cattle embryos for shipment to Europe. The investigation showed that the money was not invested in an embryo transfer program, but was used in part to make interest payments to earlier investors in what is commonly known as a "Ponzi" scheme. The money was also converted to Atteberry's personal use and was spent on, among other things, gambling at area casinos.

The Office of the Kansas Securities Commissioner was first made aware of the cattle embryo transfer program after Atteberry placed an advertisement soliciting investments in a Kansas City newspaper. After determining that Atteberry and the investment were not registered in Kansas, the Securities Commissioner issued an Emergency Cease and Desist Order in October 2001, ordering Atteberry to stop all investment solicitations and sales. It was later discovered that Atteberry continued to operate the same investment program in violation of the 2001 Order. In May 2005, The Kansas Securities Commissioner issued a second Cease and Desist Order, and staff later began a criminal investigation. Atteberry was found guilty of the ten felony counts of violation of an administrative order based on conduct that occurred after he was served with the administrative orders.

At sentencing, Atteberry faces up to 86 months in prison and restitution to victim investors of over \$940,000. The maximum fines for each count range from \$100,000 to \$300,000 per count. Pursuant to the Kansas Sentencing Guidelines and special provisions of the Kansas Securities Act, the penalties for 29 of the charges are presumptive imprisonment.

The investigation and prosecution of Atteberry was done with the assistance and cooperation of Robert Hecht, District Attorney of the Third Judicial District, Shawnee County, Kansas.

The Office of the Kansas Securities Commissioner investigates and prosecutes securities fraud, the offer or sale of unregistered securities and the offer or sale of securities by unlicensed stockbrokers or investment advisers. For more information and investor education resources, visit <http://www.securities.state.ks.us>.